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MOBILIZATION OF INDUSTRIES AND UTILIZATION OF THE COMMERCIAL AND INDUSTRIAL RESOURCES OF THE COUNTRY FOR WAR PURPOSES IN EMERGENCY

PREPARED BY THE WAR COLLEGE DIVISION, GENERAL STAFF CORPS AS A SUPPLEMENT TO THE STATEMENT OF A PROPER MILITARY POLICY FOR THE UNITED STATES

WCD 8121–45

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SYNOPSIS.

		Page.
1.	Action taken by other countries	5
2.	Necessity for action in the United States	6
3.	Reports from the general staff and bureau chiefs	6
4.	Suggested plans from other sources	9
5.	Recommendations for necessary legislation	11

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MOBILIZATION OF INDUSTRIES AND UTILIZATION OF THE COMMERCIAL AND INDUSTRIAL RESOURCES OF THE COUNTRY FOR WAR PURPOSES IN EMERGENCY.

1. ACTION TAKEN BY OTHER COUNTRIES.

The mobilization of industries has been undertaken in all the countries that are at present at war. Reports from abroad are incomplete on this subject, but all indicate that a more or less perfected scheme has been adopted in all countries. An enabling act is the first requisite, and the details of its exercise vary in each of the countries.

In Russia a committee was appointed to supervise the manufacture and supply of war munitions, making use of all civilian plants. The president of the Duma, an ex-minister of commerce, and two prominent army officials were also made members of this committee for purposes of consultation in regard to technical matters.

In England the Government control of all engineering industries was taken over under an act called the "mobilization of industry act." This was passed with ease and rapidity by the House of Commons. The original act provided for the taking over and control of any works where war munitions were being made. Later, the act was amended to include all industries that could be utilized if modified. Power to cancel existing contracts with private parties was also made a part of the law.

In France an act called the "Dalbiez Act" was passed, under which all commercial manufacturing plants, used in whole or in part for making supplies for the Army, were taken over by the Government. Originally all skilled workmen, heads of departments, and superintendents were excused from military service. It was found that this exemption was abused and a large number of men suitable for military services, but not absolutely necessary in the manufacturing plants, avoided military service. The civilian superintendents of the works taken over report that they have no trouble with strikes or labor disorders while under military control, for as soon as a workman by his act shows that he is not necessary in the plant itself he is available to go to military service in the field, which acts as a deterrent against strikes.

In Italy all the larger automobile factories or garages have been taken over for the manufacture of war munitions.

Similar provisions have been made in Austria and Germany. In most of these countries this mobilization of industries is carried down to the smaller industries in minute detail. For example, in both Austria and France all the horses and wagons suitable for military service are listed, and the record is kept by area officers so that the Government at any time can ascertain how many horses and wagons are available, and their condition, in any stated district. There is a price fixed by law at which owners shall be reimbursed for their teams and wagons used for military purposes.

2. NECESSITY FOR ACTION IN THE UNITED STATES.

The subject of the mobilization of the industries in this country has been discussed, but no definite action has as yet been recommended or undertaken. The desirability of taking steps to acquaint our larger manufacturing establishments with the necessary details to enable them to fill a Government contract has received careful consideration. A number of representatives of the larger manufacturing establishments have expressed their willingness to undertake this preparation. It has been proposed that the Chief of Ordnance send the necessary plans and specifications for types of guns and ammunition to manufacturing establishments presumably capable of making these munitions, each company to be awarded a small contract and given the necessary Government inspectors and superintendents to advise and supervise, so that when this small contract was filled the templets, plans, and dies could be retained at the factory, and from the experience gained in filling this small contract they would be able, without delay, to undertake larger contracts in case of necessity. It was found that this plan was not in accordance with the law or with the desire of Congress. This year, however, legislation permitting this method of procedure for the preparation of large manufacturing plants for Government use has been recommended.

3. REPORTS FROM THE GENERAL STAFF AND BUREAU CHIEFS.

On September 13, 1915, in a memorandum for the Chief of Staff by the Chief of the War College Division, on the subject of a proposed plan to enable private manufacturers to promptly furnish war material in case of emergency, the question is considered in detail and heads of bureaus were called on for recommendation as to the additional legislation necessary to enable their department to purchase war material from private manufacturers.

SEPTEMBER 13, 1915.

MEMORANDUM FOR THE CHIEF OF STAFF.

Subject: Proposed plan to enable private manufacturers to promptly furnish war material in case of emergency.

1. Herewith is a memorandum from the Acting Chief of Ordnance, accompanying memorandum for the Chief of Staff (WCD 8121–19), August 17, 1915.

2. The Acting Chief of Ordnance enumerates obstacles to be encountered as follows:

"The furnishing of drawings and specifications * * * would involve considerable expense, and it is a question whether the present wording of the appropriations would permit of such expenditures. * * * the furnishing of such information at this time would be contrary to the instructions of the Secretary of War, as quoted in paragraph 3 of the memorandum of the Chief of the War College Division * * *.

"* * * the number of such manufacturers is large, and that the ability of the department to give orders for material is limited to the appropriations available, which, at present, are limited by congressional action to but a small part of the appropriations for the various purposes * * *.

"* * * such orders could be but limited, and unless occasional orders could be placed with each of the firms selected it is anticipated that they would soon lose interest * * *.

"* * * under existing laws when purchases are to be made orders must be placed with the lowest responsible bidder for the best and most suitable article. As long as this restriction is imposed the majority of the orders would be secured by a limited number of manufacturers who are in a position to underbid those with less satisfactory equipment and higher operating expenses * * *."

3. The Acting Chief of Ordnance recommends that now, if the instructions of the Secretary of War are modified, if not, then after the close of the present war—

"* * * a carfully selected list be prepared of private manufacturers for each class of ordnance material, and that drawings and specifications of the material they could manufacture be furnished them in order that in renewing or increasing their plant it may be further adapted to the manufacture of the particular ordnance material in question, and that the management may make a study of the manufacture of such material * * *."

4. The War College Division is aware of the obstacles due to limited appropriations, restrictive legislation, instructions of the Secretary of War, etc.

Also, that some concerns will lose interest if they can not see a profit, but believes—and the belief is largely based on the character of the many letters received by the Secretary of War during the past year from railroad officials, corporations, engineer societies, manufacturers, etc.—that a large percentage of manufacturers would willingly cooperate, through patriotic motives, in preparing to manufacture supplies required in war.

5. The War College Division concurs in the method of procedure recommended by the Acting Chief of Ordnance, and further recommends that in the next estimate of funds a suitable sum be included for the specific purpose of covering necessary expenses for furnishing private manufacturers with drawings and specifications of the material they could manufacture and for trial orders to demonstrate their capacity and the sultability of their equipment.

M. M. MACOMB,
Brigadier General, Chief of War College Division.

As a result of the above memorandum the following was received at the War College Division October 1, 1915:

DRAFT OF MEMORANDUM. WCD 8121–27

From: The Chief of Staff.
To: The Chief of the War College Division.

Referring to the accompanying proposed memorandum relative to the encouragement of reputable and competent private manufacturing establishments to equip themselves for furnishing war material of the class needed by the Government, and to maintain themselves in condition for manufacturing such material, the Secretary of War has directed that the chiefs of the staff departments give this subject consideration and submit, in connection with their annual estimates, such proposed legislation as may be necessary to free them from the statutory restrictions which now prevent the inauguration of such a policy. In so far as the restrictions imposed by the War Department, with reference to the neutrality of the United States or other circumstances, are concerned, the chiefs of the staff departments are also instructed to bring to the attention of the Secretary of War any case in which it appears to be appropriate to modify the restrictions thus imposed.

(Copies to the chiefs of the staff departments for their information and guidance.)

Approved:

LINDLEY M. GARRISON,
Secretary of War.

Approval recommended:

H. L. SCOTT,
Major General, Chief of Staff.

Received Office Chief of Staff September 30, 1915.
Received War College Division October 1, 1915.

The following is a brief of the reports made by bureau chiefs:

The Chief of Ordnance reported that a draft of legislation authorizing such purchase in time of emergency had been incorporated in the estimate submitted by the Ordnance Department for the ensuing fiscal year.

The Quartermaster General reported that Revised Statutes No. 3709 in the act of July 5, 1884, give ample authority for the purchase without advertising when immediate delivery is required by the public exigency, stating further that this would seem to permit any purchase at any time in the event of war.

The Chief of Engineers quoted that he had included the following provision in the estimates of appropriations in the Army appropriation bill now being prepared in his office:

> The Secretary of War may, when in his opinion to the manifest interest of the United States, authorize the procurement of engineer equipment required for military purposes from such private establishments as he may select.

The Surgeon General reported that in his opinion the only way to establish the war reserve is to procure beforehand a reasonable reserve in actual possession of all articles not perishable which are not

ordinarily to be found in the markets, but which must be made to conform to especial desire.

4. SUGGESTED PLANS FROM OTHER SOURCES.

In addition to the reports from bureau chiefs just quoted, suggestions have been received from various outside sources as to methods of organizing various commercial industries. Most of these plans suggest methods more or less elaborate, but all are based on voluntary response of individuals and service of industries, and for this reason it is believed they will prove unsatisfactory and inefficient.

Under the present limited or lack of control of the United States Government over manufacturing industries no real progress can be assured without further legislation. Many prominent industries indicate their willingness to act with the Government through patriotic motives, but unless there is some actual obligation existing between the two little can be accomplished.

An excellent example of a plan of this nature is one proposed, and copyrighted, by Mr. Martin J. Gillen, of the Mitchell Wagon Co., of Racine, Wis., who states:

> The original plan was sent to all the executive officers of this Government, United States Senators and Congressmen, the Governors of the several States, the presidents of universities, the Army and Navy officers ranking from captains upward, the retired officers of the Army and Navy, the officers of the Grand Army of the Republic, 400 of the principal newspapers and periodicals of the land, and about 200 business men. Out of 600 replies only 3 considered the idea of no value, the remainder considered the plan meritorious, and some offered most valuable suggestions which have been incorporated. The plan revised is now submitted anew.

This plan was referred to the War College Division of the General Staff for report and based on a favorable recommendation for considerations made by the Chief of Engineers in a letter dated September 16, 1915 (AGO 2322644–A), reports were called for from the Quartermaster General, the Surgeon General, the Chief of Ordnance, the Chief of Engineers, and the Chief Signal Officer.

The reports in general make favorable comment on certain features of the plan, and in some cases suggest minor objections, but all agree that additional legislation must be obtained to put such a plan into effect.

Mr. Gillen states in closing:

> This plan is submitted in the hope that it will draw forth from the executive officers of this Government, the United States Senators, the Congressmen, the executive officers of the several States of this Union, our Army and Navy officers, our editors, business men, farmers, and working men, such publicity and welcome criticisms to the writer to the end that a *final legal plan* may be adopted by this Government which will be so broadly elastic and comprehensive as to embrace any and all conditions that may arise in preparing this Nation that right and justice may be enforced if needed.

Instances are daily occurring where efforts and plans of the Government in experimentation and development work are being hampered, delayed, and even thwarted from lack of authority to demand reasonable and certain response on the part of commercial industries.

A comparatively unimportant example pertaining to experimental work in the development of a field searchlight outfit is quoted below simply as an illustration of delay and obstructions frequently being met even where important interests of the General Government are concerned. Similar action can be expected from any industry under our present laws:

On June 14, 1915, the Engineer depot wrote to the * * * company, stating that the depot desired to purchase a standard * * * truck with generator mounted on the truck body and driven by silent chain from transmission shaft. Asked if the * * * company could supply such a truck and, if so, to quote on one. Between this date and June 28, 1915, correspondence was carried on between the depot and the * * * company and although the latter company appeared reluctant at first to take up the proposition, on June 28, 1915, they replied, stating they would take up the proposition and would have their chief engineer investigate the electrical installation. On July 23, 1915, the * * * company quoted a price on the outfit as requested by the Engineer depot.

On July 28, 1915, the Engineer Depot wrote to the Chief of Engineers, United States Army, requesting allotment to purchase this truck. The letter was returned asking for details of installation and on August 21, 1915, the Engineer Depot returned the letter again by indorsement, giving the details requested. No reply having been received by the Engineer Depot to this letter, the entire matter was dropped at that time.

October 16, 1915, commanding officer, First Battalion of Engineers, received a letter from the Chief of Engineers advising that the allotment requested by the Engineer Depot in letter of July 28, 1915, for the purchase of * * * truck had been made and directing that design and purchase be accomplished by officers of the battalion with the assistance of the Engineer Depot.

October 28, 1915. Letter from one of the officers of the Engineer Battalion to the * * * company, stating that he had been detailed to attend to the purchase of the above truck and explaining that the Engineer Depot had dropped the matter in July, because of the failure in obtaining the allotment at that time. Asked the * * * company if they would still take up the proposition.

November 2, 1915. Reply from the * * * company stating that the requirements were rather severe and they would rather not take the order; that they would be glad to build the special car, but at that time they were crowded with work working day and night, and would not be able to get the job out in short notice. They were very sorry that they could not undertake the proposition at that time.

November 4, 1915. Engineer depot received by indorsement their letter indorsed to the office, Chief of Engineers, August 21, 1915, stating that the allotment therein requested had been granted.

November 5, 1915. Letter from officer of the engineer battalion to the * * * company, explaining that the truck in question was a step in the development of field searchlights for the mobile Army and of particular importance at that time and urging them to reconsider their decision.

November 22, 1915. Letter from the chief engineer, * * * company, saying he had been trying to persuade the factory to build the special car, but, as work was still rushing and the factory was running day and night, they could not possibly afford to build this special model at the present time, but hoped in the future they would be able to do so. In the meantime they would lay out plans in accordance with our requirements and as soon as they were able to build the car they would submit plans for our approval.

During the Spanish-American War in 1898 the sidings and often the main lines of the railroads leading to Tampa, Fla., were choked and blocked even way back into Georgia. Ammunition, guns, and even troops were held up and delayed. Perishable supplies were rotting on the tracks; and with all this the railroads insisted and persisted in maintaining and giving preference to its local passenger and freight service. This condition existed in an aggravated form even between Tampa and Port Tampa, the port of embarkation, and the Government either failed or was helpless under the law to compel preference in service.

The act of January 31, 1862, authorized the President (during the rebellion only) to take possession of railroads and telegraph lines for military purposes.

Chapter 3591, act to amend an act entitled "An act to regulate commerce," approved February 4, 1887 (United States Statutes at Large, Fifty-ninth Congress, 1905–1907, vol. 34, p. 587, Pt. I, Public Laws), provides:

That in time of war or threatened war preference and precedence shall, upon the demand of the President of the United States, be given, over all other traffic, to the transportation of troops and material of war, and carriers shall adopt every means within their control to facilitate and expedite the military traffic: *And provided,* That whenever the word "carrier" occurs in this act it shall be held to mean "common carrier."

Even with this law on the statute books, headquarters and one battery—Third Field Artillery—left San Antonio, Tex., under emergency orders for El Paso to meet a reported hostile movement in force on that city from Mexico, and for no apparent reason the train was sidetracked for the regular traffic and arrived at destination over 12 hours late on the regular passenger schedule.

5. RECOMMENDATIONS FOR NECESSARY LEGISLATION.

In conclusion it may be stated that three considerations and conditions appear especially important and necessary:

First. Authority to place an order.

Second. Obligation to fill an order.

Third. Coordination between departments of the Government and agencies, and regulations governing procedure.

It is therefore recommended that the necessary steps be taken to secure legislation to authorize the following provisions:

1. That the President be empowered, through any head of department or bureau of the Government in addition to the present authorized methods of purchase or procurement in time of war or when war is imminent or whenever in his opinion the exigencies of the service and the interest of the Government demand, to place an order with any individual, firm, corporation, company, or organized manufacturing industry for such product or material as may be required, and which is of the nature and kind usually produced or capable of being produced by such firm or company.

2. That compliance with all such orders or demands for service shall be obligatory on the part of industries concerned, and shall take precedence over all other orders and contracts when in the opinion of the President the conditions warrant.

3. That the compensation shall be fair and just and shall result in a reasonable profit to the industry concerned, as shown by bill of expenses.

4. That there shall be authorized and established a board or commission on mobilization of industries essential for military preparedness, nonpolitical in nature, and including in its membership representatives of the Government selected by the President, and skilled representatives of industries, either permanent or advisory, to be selected by the industries concerned, and the necessary secretaries and clerical assistants whose duty it shall be to organize and coordinate the work to fully meet all requirements of the Government service.

517

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